

FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.20.2010

Washington Post: "Fed expects GDP to expand, unemployment rate to fall this year ... Just as a deepening debt crisis in Europe threatens the world economy, the U.S. recovery is finally starting to gain traction, leading Federal Reserve officials and private analysts to upgrade their expectations for growth."

Washington Post: "Dodd abandons derivatives amendment in financial regulation bill ... Sen. Christopher J. Dodd (D-Conn.) has decided to abandon a proposal aimed at fostering compromise over a controversial provision in the far-reaching financial regulatory overhaul bill before the Senate."

Washington Post: "Senate amendment to financial regulation bill addresses five federal watchdogs ... Senators approved an amendment to the financial regulation bill Tuesday night that keeps federal watchdogs at five financial regulatory agencies from becoming presidential appointments."

Washington Post: "Financial regulation measure is stalled in Senate ... Two Senate Democrats broke party ranks Wednesday to block an effort to wrap up debate on landmark legislation to overhaul the nation's financial regulation, potentially delaying passage."

NY Times: "Whistle-Blowers Become Investment Option for Hedge Funds ... Hedge funds have found a new market to invest in: whistle-blowers."

NY Times: "Dubai World Reaches Deal With Banks to Restructure Debt ... Dubai World, the debt-plagued conglomerate and proxy for the free-spending emirate of Dubai, said Thursday that it had reached an agreement with a group of banks to restructure \$23.5 billion in debt."

NY Times: "Senate Fails to Advance Financial Reform Bill ... The Senate on Wednesday rejected an effort by Democratic leaders to complete work on a sweeping financial regulatory bill as two key Democratic holdouts said it still did not tighten rules on Wall Street enough."

NY Times: "Investors Ease Strain on F.D.I.C. ... After contending with nearly 240 bank failures since the financial crisis struck, the Federal Deposit Insurance Corporation is finally getting some help from private investors."

NY Times: "Mortgage Data Leaves Bankers Uncertain of Trend ... Any way you look at it, extraordinary numbers of people are having trouble paying their mortgage. What is less clear is the extent to which the problem is getting worse, better or is simply holding its own."

NY Times: "Germany Acts Alone to Protect the Euro and Big Banks Against Speculators ... If Germany's efforts to rein in speculation in European markets were meant to surprise investors, they succeeded - just not quite in the way officials in Berlin might have intended."

NY Times: "Federal Reserve Ponders a Plan for Asset Sales ... The Federal Reserve indicated that it would wait until after it started raising interest rates before selling the huge store of assets that it acquired in response to the financial crisis. The goal would be to gradually complete the sales about five years after they begin."

USA Today: "Small businesses' credit card rates now 13.7% higher ... New evidence that banks have sharply increased rates for small-business credit cards has rekindled calls for Congress to intervene."

Forbes: "Don't Shoot The Rating Agencies ... For any company engaged in rating bonds, an essential component of the corporate culture is a capacity for withstanding criticism. Currently, Moody's Investors Service (MCO), Standard & Poor's and Fitch Ratings are accused of being too lenient in rating pools of mortgage-backed securities and too strict in rating the debt of sovereign borrowers."

The Hill: "Senate fails to end Wall Street reform debate ... The Senate failed Wednesday to end debate on legislation overhauling Wall Street, delaying a final vote on the measure."